

ARTICLE APPEARED
ON PAGE A-20WASHINGTON POST
20 October 1983

Spy Suspect Said To Possess More Missile Documents

By Howard Kurtz
Washington Post Staff Writer

A Silicon Valley engineer arrested last weekend and accused of espionage was preparing to deliver an additional 150 to 200 pounds of defense-related documents to Polish intelligence agents, according to FBI documents.

James Durward Harper Jr. yesterday began plea-bargain negotiations with federal prosecutors in San Francisco and asked that grand jury proceedings be waived to expedite his espionage trial.

Harper, who was denied bail by a federal magistrate, is charged with receiving more than \$250,000 for selling classified documents to Polish intelligence, which passed them on to the Soviet KGB.

The FBI believes that Harper, 49, still has up to 200 pounds of documents involving the U.S. Minuteman missile and other strategic forces, possibly in a safe-deposit box, according to an FBI affidavit.

Federal agents reportedly are searching for the documents and for large amounts of cash that, according to wiretapped telephone conversations, Harper said he had stashed away in bank accounts in the United States, Switzerland and the Cayman Islands.

Harper planned in June to travel to Vienna to make contact with Polish agents and deliver the additional documents, according to the FBI wiretaps. But the FBI said Harper delayed the trip because of business pressures.

Harper's attorney, William Dougherty, told authorities about the cache of papers last year when he unsuccessfully sought a grant of immunity for Harper.

Harper planned the Vienna trip soon after his second wife, Ruby Louise Schuler, died of cirrhosis of the liver. Schuler had a security clearance as a secretary at Systems Control Inc., a Palo Alto, Calif., firm that does missile research for the Pentagon.

Schuler's former boss told the FBI he believed she had brought Harper to the premises on nights and weekends. FBI agents examined defense documents, to which Schuler had access, at the company and found 118 fingerprints that they identified as Harper's.

Harper, appearing disheveled yesterday with several days' growth of beard, told a federal magistrate that he wanted to cooperate without the need for a grand jury indictment.

"There's no advantage to either side," said William McGivern, chief assistant U.S. attorney in San Francisco. "It just gets the proceeding moving faster. It's streamlined."

No charges have been filed against William Bell Hugle, a California electronics executive and one-time congressional candidate who the FBI says introduced Harper to Polish agents. Hugle appeared before the grand jury Monday, and the Los Angeles Times reported that he invoked his Fifth Amendment protection against self-incrimination.

No one answered the phone yesterday at B&B Associates, Hugle's electronics firm, but his daughter, Cheryl Nobari, was quoted in wire service reports as saying that Hugle had no inkling of the espionage case until the grand jury subpoenaed him.

In earlier statements to authorities, according to the FBI affidavit, Harper said that in 1979 he and Hugle delivered documents in Vienna to Zdzislaw Prychodzien, a high-ranking Polish intelligence officer, and that Hugle was to receive a third of the payments.

The FBI has received much of its information in the case from a former Polish agent who worked with Prychodzien and apparently has defected to the United States.